



*COMMONWEALTH of VIRGINIA*  
*DEPARTMENT OF ENVIRONMENTAL QUALITY*

SOUTHWEST REGIONAL OFFICE

Douglas W. Domenech  
Secretary of Natural Resources

355 Deadmore Street, P.O. Box 1688, Abingdon, Virginia 24212  
(276) 676-4800 Fax: (276) 676-4899  
[www.deq.virginia.gov](http://www.deq.virginia.gov)

David K. Paylor  
Director

Dallas R. Sizemore  
Regional Director

October 12, 2011

Mr. Raymond L. Evans  
Executive Director, Environmental  
FirstEnergy Corporation  
76 South Main Street  
Akron, OH 44308

Location: Buchanan County, VA  
Registration No. 11390  
County-Plant No. 51-027-00148

Dear Mr. Evans:

Attached is a renewal of the Phase II Acid Rain permit to operate two gas-fired combustion turbine electric generation units at the Buchanan Generation, LLC Buchanan Generating Facility in accordance with the provisions of the Commonwealth of Virginia State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution. This permit will be effective from January 1, 2012 through December 31, 2016. Your current Phase II Acid Rain permit will remain in effect through December 31, 2011.

The permit contains legally enforceable conditions. Failure to comply may result in a Notice of Violation and civil charges. Please read all permit conditions carefully.

In the course of evaluating the application and arriving at a final decision to approve the project, the Department of Environmental Quality (DEQ) deemed the application complete on June 10, 2011. DEQ solicited written public comments by placing a newspaper advertisement in the August 25, 2011, edition of the Virginia Mountaineer. The public comment period (provided for in 9 VAC 5-80-670 A) expired on September 24, 2011.

This permit approval to operate shall not relieve Buchanan Generation, LLC of the responsibility to comply with any other local, state and federal regulations.

9 VAC 5-170-200 of the Board's Regulations provide that you may request a formal hearing from this case decision by filing a petition with the Board within 30 days after this case decision notice was mailed or delivered to you. Please consult the relevant regulations for additional requirements for such requests.

Mr. Raymond L. Evans  
October 12, 2011  
Page 2

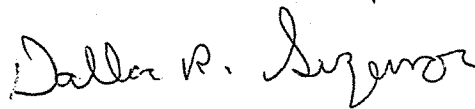
Additionally, as provided by Rule 2A:2 of the Supreme Court of Virginia, you have 30 days from the date you actually received this permit or the date on which it was mailed to you, whichever occurred first, within which to initiate an appeal to court by filing a Notice of Appeal with:

David K. Paylor, Director  
Department of Environmental Quality  
P.O. Box 1105  
Richmond, Virginia 23218

In the event that you receive this permit by mail, three days are added to the period in which to file an appeal. Please refer to Part Two A of the Rules of the Supreme Court of Virginia for additional information including filing dates and the required content of the Notice of Appeal.

If you have any questions concerning this permit, please call the regional office at (276) 676-4800.

Sincerely,

A handwritten signature in black ink, appearing to read "Dallas R. Sizemore".

Dallas R. Sizemore  
Regional Director

DRS/td/P11390T4-12.doc

Attachment: Permit

cc: Director, OPATS (electronic file submission)  
Manager, Data Analysis (electronic file submission)  
Director, Air, Radiation and Toxics Division, U.S. EPA, Region 3  
Regional Acid Rain Program Coordinator, Air, Radiation and Toxics  
Division, U.S. EPA Region 3



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Regional Director

**PHASE II ACID RAIN PERMIT**

Issued To:	Buchanan Generation, LLC	Registration No: 11390
Operated By:	Buchanan Generation, LLC	ORIS Code: 55738
Location:	1 mile southwest of Marvin, in Buchanan County, Virginia	Facility ID No. 51-027-00148
Effective Date:	January 1, 2012 through December 31, 2016	

**Acid Rain Permit Contents**

- 1) Statement of Basis
- 2) SO<sub>2</sub> allowances allocated under this permit and NO<sub>x</sub> requirements for each affected unit.
- 3) Additional requirements or conditions, and any comments, notes and justifications regarding permit decisions and changes made to the permit application forms during the review process.
- 4) The permit application submitted for this source.

**Permit Approval**

Approved on: October 12, 2011

A handwritten signature in cursive script that reads "Dallas R. Sizemore".

Dallas R. Sizemore  
Regional Director

Permit consists of 2 pages and attached application.

**1. Statement of Basis.** (9 VAC 5-80-490 B.2)

Statutory and Regulatory Authorities: In accordance with the Air Pollution Control Law of Virginia §10.1-1308 and §10.1-1322, the Environmental Protection Agency (EPA) Final Interim Approval of the Operating Permits Program (Titles IV and V) published in the Federal Register June 10, 1997, Volume 62, Number 111, Rules and Regulations, Pages 31516-31520 and effective July 10, 1997, and Title 40, Code of Federal Regulations §§72.1 through 76.16, the Commonwealth of Virginia Department of Environmental Quality issues this permit pursuant to the Virginia Regulations for the Control and Abatement of Air Pollution, 9 VAC 5 Chapter 80, Part II, Article 3 - Acid Rain Operating Permits.

**2. SO<sub>2</sub> Allowance Allocations and NO<sub>x</sub> Requirements for each Affected Unit.** (9 VAC 5-80-490 A.4)

Units	1 and 2				
Year	2012	2013	2014	2015	2016
<b>SO<sub>2</sub> Allowances</b> under Table 2 of 40 CFR 73.10 (tons)	<b>Not Applicable.</b>  These units were not eligible for SO <sub>2</sub> allowance allocations by U.S. EPA under Section 405 of the Clean Air Act and the Acid Rain Program. Therefore, these units have no SO <sub>2</sub> allowances listed in Table 2 of 40 CFR 73.10.  SO <sub>2</sub> allowances may be acquired from other sources in addition to those allocated by U.S. EPA. No revision to this permit is necessary in order for the owners and operators of these units to hold additional allowances recorded in accordance with 40 CFR Part 73. The owners and operators of each unit remain obligated to hold sufficient allowances to account for SO <sub>2</sub> emissions from each unit in accordance with 40 CFR 72.9(c)(1).				
<b>NO<sub>x</sub> Limit</b>	<b>Not Applicable.</b>  Gas-fired units are not subject to NO <sub>x</sub> limitations under 40 CFR Part 76.				

**3. Comments, Notes, and Justifications:** Both Units 1 and 2 are gas-fired and therefore are not subject to NO<sub>x</sub> limitations under 40 CFR Part 76.

**4. Acid Rain Permit Application.** The attached permit application is incorporated into the Phase II Acid Rain permit by reference. The owners and operators of the source shall comply with the standard requirements and special provisions set forth in the application. (9 VAC 5-80-440 and 9 VAC 5-80-490 A.4.a and c, B, C, E, F, M, O and P)



# Acid Rain Permit Application

Receive

JUN 10 2011

For more information, see instructions and refer to 40 CFR 72.30 and 72.31

This submission is: ☒ New ☐ Revised

DEQ-SWR

## STEP 1

Identify the source by  
plant name, State, and  
ORIS code.

### Renewal Application

Buchanan Generating Facility Units 1 and 2	VA	55738
Plant Name	State	ORIS Code

## STEP 2

Enter the unit ID#  
for every affected  
unit at the affected  
source in column "a."  
For new units, enter the  
requested information in  
columns "c" and "d."

a	b	c	d
Unit ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	New Units Commence Operation Date	New Units Monitor Certification Deadline
1	Yes	7/1/2002	8/13/2002
2	Yes	7/1/2002	8/14/2002
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		
	Yes		

**STEP 3**

Read the  
standard  
requirements

**Permit Requirements**

- (1) The designated representative of each affected source and each affected unit at the source shall:
  - (i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
  - (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
- (2) The owners and operators of each affected source and each affected unit at the source shall:
  - (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
  - (ii) Have an Acid Rain Permit.

**Monitoring Requirements**

- (1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.
- (2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

**Sulfur Dioxide Requirements**

- (1) The owners and operators of each source and each affected unit at the source shall:
  - (i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)), or in the compliance subaccount of another affected unit at the same source to the extent provided in 40 CFR 73.35(b)(3), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
  - (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
- (3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
  - (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
  - (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
- (4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

STEP 3,  
Cont'd.

**Nitrogen Oxides Requirements** The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

**Excess Emissions Requirements**

- (1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
- (2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
  - (i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
  - (ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

**Recordkeeping and Reporting Requirements**

- (1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:
  - (i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
  - (ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
  - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
  - (iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

**Liability**

- (1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
- (2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
- (3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

Step 3,  
Cont'd.

**Liability, Cont'd.**

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.

(6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO<sub>x</sub> averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

**Effect on Other Authorities**

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(2) Limiting the number of allowances a unit can hold; *provided*, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;

(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;

(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

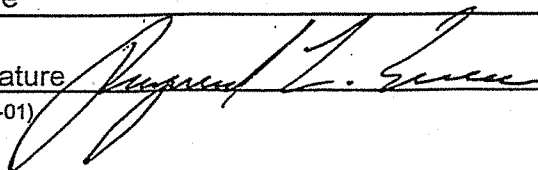
(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

**STEP 4**

**Certification**

Read the  
certification  
statement,  
sign, and  
date

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name	Raymond L. Evans, Executive Director, Environmental	
Signature		Date 6-6-11